INFORMATIONAL MEMORANDUM

TO: Commission on Community Investment and Infrastructure
FROM: Tiffany Bohee, Executive Director
SUBJECT: Notice of intent to issue a Request for Proposals to design and develop an office building on Block 5, located on Howard and Beale Streets; Transbay Redevelopment Project Area

PURPOSE OF INFORMATION

The purpose of this informational memorandum is to inform the Commission of staff's intention to issue, pursuant to the Transbay Redevelopment Project Area Implementation Agreement, a Request for Proposals (“RFP”) from development teams to design and develop a commercial project on Block 5 in the Transbay Redevelopment Project Area (“Project Area”). Unless the Commission objects, the RFP will be released to the public on March 19, 2014 with proposals due June 10, 2014.

The development opportunity is located on Howard and Beale Streets (“Site”). It is comprised of a portion of Block 3740, Lot 025, which is currently owned by the Transbay Joint Powers Authority (“TJPA”) and for which the Office of Community Investment and Infrastructure (“OCII”) has an option to purchase. The Site will be developed with an approximately 700,000 square foot office building with ground floor retail (“Project”). The development program for the Project consists of a 550-foot office tower above an underground parking garage. The Project also comprises construction of streetscape improvements including a portion of Natoma Street and open space on nearby parcels that will be retained by the TJPA. This development program was included in the Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (“EIS/EIR”), which was certified in 2004.

A selection panel comprised of OCII staff, a Transbay Citizens Advisory Committee member, and a representative from the San Francisco Planning Department will review the proposals, interview the development teams, and recommend a development team for selection by the Commission. Staff anticipates returning to the Commission with an Exclusive Negotiations Agreement (“ENA”) with the recommended development team in August 2014.

BACKGROUND

The Project Area was adopted in 2005 with the purpose of redeveloping 10 acres of property owned by the State of California (“State-owned parcels”) in order to generate funding for the TJPA to construct the new Transbay Transit Center (the “TTC”). The Implementation Agreement is an enforceable obligation that requires the OCII, as the Successor Agency to the former San Francisco Redevelopment Agency, to “prepare and sell [certain State-owned parcels that OCII is authorized to acquire] to third parties.” (Section 2.1 (a) of the
Implementation Agreement at p. 4). On April 15, 2013, the California Department of Finance ("DOF") determined "finally and conclusively" that the Implementation Agreement, along with other Transbay-related documents, is an enforceable obligation that will not require additional DOF review in the future, although expenditures under the Implementation Agreement are subject to continuing DOF review.

DISCUSSION

The Block 5 RFP seeks proposals from development teams to develop and build an approximately 700,000 office building with ground floor retail, underground parking, streetscape improvements, and open space. The composition of the development team will include a developer and an architect to design the building. All other consultants and subconsultants will be added after selection, in compliance with OCII policies, including the Small Business Enterprise Policy.

Development teams must submit team qualifications, conceptual designs, and a financial proposal, including a purchase offer for the land. Proposals will be reviewed and the development teams will be interviewed by the Selection Panel. The interview will include a presentation and question and answer session. The teams will then be scored based on the selection criteria outlined in the RFP. The team with the highest score after the interview will be recommended for selection by the Commission for exclusive negotiations.

Subsequent to execution of the ENA and prior to execution of a Disposition and Development Agreement ("DDA"), the development team will be responsible for seeking and obtaining a Redevelopment Plan amendment which includes approval by the Commission and Board of Supervisors to include bulk controls that are appropriate for a commercial office building. The Transbay Development Controls and Design Guidelines ("DCDG") must also be amended and approved by the Commission to remain consistent with the Redevelopment Plan and to update the open space and parking requirements for commercial development in Zone One.

The RFP will be released to the public on March 19, 2014, unless the Commission objects. It will be publicized to developers and consulting firms through direct mailing, newspapers of general circulation, community newspapers, and OCII’s and the City’s websites. Staff anticipates returning to the Commission in the August 2014 with a recommended development team.

(Originated by Courtney Pas, Assistant Project Manager, Transbay)

Tiffany Boone
Executive Director

Attachment: Request for Proposals: Transbay Block 5